

DEPARTMENT OF SOCIAL SERVICES



August 23, 1979

ALL-COUNTY LETTER NO. 79-54

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP PROGRAM - ACCEPTANCE OF COUPONS AS PAYMENT FOR CLAIMS

REFERENCE:

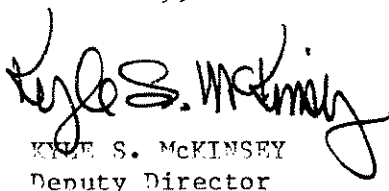
This is to provide you with instructions regarding the acceptance of coupons for repayment of an overissuance due to a certification error or some other error which warrants a claim. Current regulations (MS 63-801.51) address repayment in lump sum or installment payments depending upon the household's financial ability. Section 63-801.52 states counties shall not threaten the household with a denial, termination, or reduction in benefits for failure to repay a claim.

Some counties have reported cases where a household voluntarily wants to return coupons in order to settle the claim. In the event that this situation occurs, the county should accept the coupons and should not pursue collection for the amount of coupons that were returned. Documentation which indicates the receipt of the coupons in payment for the claim should be kept with claim records. This payment should also be reported on the FNS 209, Status of Claims Against Households, line 5 and noted under the "remarks" section as "Returned in Coupons - \$xxx".

If the amount of coupons overissued is less than \$35 and the household wants to return the overissued coupons, the facts should be documented in the household's certification records to ensure that the household is not charged for the overissued coupons if they ever become eligible for restoration of lost benefits. The coupons that are returned shall be cancelled and FNS 135, Affidavit of Return or Exchange of Food Coupons, which serves as the accountable document for reconciliation purposes, shall be prepared. Once the coupons have been cancelled, provisions in MS 63-601.42 shall be used to destroy the coupons.

If you have any questions regarding this matter, please contact your Food Stamp Program Operations analyst at (916) 322-5475.

Sincerely,


KYLE S. MCKINSEY
Deputy Director

cc: CWA

GEN 654 (7/78)